



General Assembly

January Session, 2001

Amendment

LCO No. 7881

Offered by:

REP. FONTANA, 87th Dist.

To: Subst. House Bill No. 6971

File No. 643

Cal. No. 445

***"AN ACT CONCERNING SALES TAX TREATMENT OF CERTAIN
WIRELESS TELECOMMUNICATIONS TECHNOLOGIES."***

1 After line 10, insert the following and renumber the remaining
2 section accordingly:

3 "Sec. 2. Subdivision (8) of section 12-407 of the general statutes is
4 repealed and the following is substituted in lieu thereof:

5 (8) (A) "Sales price" means the total amount for which tangible
6 personal property is sold by a retailer, the total amount of rent for
7 which occupancy of a room is transferred by an operator, the total
8 amount for which any service described in subsection (2) of this
9 section is rendered by a retailer or the total amount of payment or
10 periodic payments for which tangible personal property is leased by a
11 retailer, valued in money, whether paid in money or otherwise, which
12 amount is due and owing to the retailer or operator and, subject to the
13 provisions of subsection (1) of section 12-408, whether or not actually
14 received by the retailer or operator, without any deduction on account
15 of any of the following: (i) The cost of the property sold; (ii) the cost of

16 materials used, labor or service cost, interest charged, losses or any
17 other expenses; (iii) for any sale occurring on or after July 1, 1993, any
18 charges by the retailer to the purchaser for shipping or delivery,
19 notwithstanding whether such charges are separately stated in a
20 written contract, or on a bill or invoice rendered to such purchaser or
21 whether such shipping or delivery is provided by the retailer or a third
22 party. The provisions of subparagraph (A) (iii) shall not apply to any
23 item exempt from taxation pursuant to section 12-412. Such total
24 amount includes any services that are a part of the sale; except as
25 otherwise provided in subparagraph (B)(v) or (B)(vi) of this subsection,
26 any amount for which credit is given to the purchaser by the retailer,
27 and all compensation and all employment-related expenses, whether
28 or not separately stated, paid to or on behalf of employees of a retailer
29 of any service described in subsection (2) of this section. (B) "Sales
30 price" does not include any of the following: (i) Cash discounts
31 allowed and taken on sales; (ii) any portion of the amount charged for
32 property returned by purchasers, which upon rescission of the contract
33 of sale is refunded either in cash or credit, provided the property is
34 returned within [ninety] three hundred sixty-five days from the date of
35 purchase; (iii) the amount of any tax, not including any manufacturers'
36 or importers' excise tax, imposed by the United States upon or with
37 respect to retail sales whether imposed upon the retailer or the
38 purchaser; (iv) the amount charged for labor rendered in installing or
39 applying the property sold, provided such charge is separately stated
40 and exclusive of such charge for any service rendered within the
41 purview of subparagraph (I) of subdivision (i) of subsection (2) of this
42 section; (v) unless the provisions of subsection (4) of section 12-430 or
43 of section 12-430a are applicable, any amount for which credit is given
44 to the purchaser by the retailer, provided such credit is given solely for
45 property of the same kind accepted in part payment by the retailer and
46 intended by the retailer to be resold; (vi) the full face value of any
47 coupon used by a purchaser to reduce the price paid to a retailer for an
48 item of tangible personal property, whether or not the retailer will be
49 reimbursed for such coupon, in whole or in part, by the manufacturer
50 of the item of tangible personal property or by a third party; (vii) the

51 amount charged for separately stated compensation, fringe benefits,
52 workers' compensation and payroll taxes or assessments paid to or on
53 behalf of employees of a retailer who has contracted to manage a
54 service recipient's property or business premises and renders
55 management services described in subdivision (i) of subsection (2) of
56 this section, provided, the employees perform such services solely for
57 the service recipient at its property or business premises and "sales
58 price" shall include the separately stated compensation, fringe benefits,
59 workers' compensation and payroll taxes or assessments paid to or on
60 behalf of any employee of the retailer who is an officer, director or
61 owner of more than five per cent of the outstanding capital stock of the
62 retailer. Determination whether an employee performs services solely
63 for a service recipient at its property or business premises for purposes
64 of this subdivision shall be made by reference to such employee's
65 activities during the time period beginning on the later of the
66 commencement of the management contract, the date of the
67 employee's first employment by the retailer or the date which is six
68 months immediately preceding the date of such determination; (viii)
69 the amount charged for separately stated compensation, fringe
70 benefits, workers' compensation and payroll taxes or assessments paid
71 to or on behalf of (I) a leased employee, or (II) a worksite employee by
72 a professional employer organization pursuant to a professional
73 employer agreement. For purposes of this subparagraph, an employee
74 shall be treated as a leased employee if the employee is provided to the
75 client at the commencement of an agreement with an employee leasing
76 organization under which at least seventy-five per cent of the
77 employees provided to the client at the commencement of such initial
78 agreement qualify as leased employees pursuant to Section 414(n) of
79 the Internal Revenue Code of 1986, or any subsequent corresponding
80 internal revenue code of the United States, as from time to time
81 amended, or the employee is added to the client's workforce by the
82 employee leasing organization subsequent to the commencement of
83 such initial agreement and qualifies as a leased employee pursuant to
84 Section 414(n) of said Internal Revenue Code of 1986 without regard to
85 subparagraph (B) of paragraph (2) thereof. A leased employee, or a

86 worksite employee subject to a professional employer agreement, shall
87 not include any employee who is hired by a temporary help service
88 and assigned to support or supplement the workforce of a temporary
89 help service's client; and (ix) any amount received by a retailer from a
90 purchaser as the battery deposit that is required to be paid under
91 subsection (a) of section 22a-245h; the refund value of a beverage
92 container that is required to be paid under subsection (a) of section
93 22a-244; or a deposit that is required by law to be paid by the
94 purchaser to the retailer and that is required by law to be refunded to
95 the purchaser by the retailer when the same or similar tangible
96 personal property is delivered as required by law to the retailer by the
97 purchaser, if such amount is separately stated on the bill or invoice
98 rendered by the retailer to the purchaser."